

BEST BUILDING EXCELLENT SCHOOLS TODAY

January 16, 2013
Joint Education Committee

Presented by:

Leanne Emm, Assistant Commissioner, Public School Finance, at CDE
Dave Van Sant, Chair of the Public School Capital Construction Assistance or BEST Board
Ted Hughes, Director, Division of Public School Capital Construction Assistance

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CDE's Statewide Goals

- Students** Successful Students
- Educators** Great Teachers and Leaders
- Schools / Districts** Outstanding Schools and Districts
- State** Best Education System in the Nation

BEST Program

Giving Students Superior Learning Opportunities

Equipping Teachers with the BEST Modern Teaching Tools

Building Safe, Secure & Healthy 1st Class, 21st Century, High Performing Facilities

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Building Excellent Schools Today

- The program is complex, the funding is complex, the financing is complex.
- The results are real, easy to see and understand.

"Thank you for the new school. The old classroom always leaked when it rained. I like that the new classroom has lots of room"

— Anha, student at Delta County School District 50

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Building Excellent Schools Today: How We Got Here

- In 1996 parents of children in six school districts sued the State on the basis of the conditions of their schools in the case *Giardino V. Colorado State Board of Education, et al.*
- The state settled that lawsuit in 2000 and began, for the first time, assisting districts and charter schools with capital needs.
- However, the amount of funding available annually was not able to address major building problems.
- In 2008, lead by then Speaker Andrew Romanoff and Treasurer Cary Kennedy the legislature passed the Building Excellent Schools Today Act by a vote of 94-5-1 with 72 co-sponsors.

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Oversight

- **There is a 9-member BEST Board.** Members shall not hold any state elective office, and shall serve for terms of two years with a maximum of three consecutive terms.
 - **The General Assembly appoints 3-members with expertise:**
 - As a public school facility planner or manager
 - In technology
 - In school finance and Public School Trust Lands
 - **The Governor appoints 3-members with expertise:**
 - As an Architect with public school facility experience
 - As a professional engineer with public school facility experience
 - Construction manager with public school experience
 - **The State Board appoints 3-members who:**
 - Is a public school superintendent
 - Is a public school board member
 - Who is a facilities planner or manager

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Oversight

- **The mission of the BEST Board** is to protect the health and safety of students, teachers, and other persons using public school facilities and maximize student achievement by ensuring that the condition and capacity of public school facilities are sufficient to provide a safe and uncrowded environment that is conducive to students' learning.
- **Each year** the BEST Board receives grant applications from school districts, charter schools, BOCES, and the Colorado School for the Deaf and Blind. They review the applications and select applications and make recommendations to the State Board.
- **The State Board** reviews and approves project recommendations made by the BEST Board.

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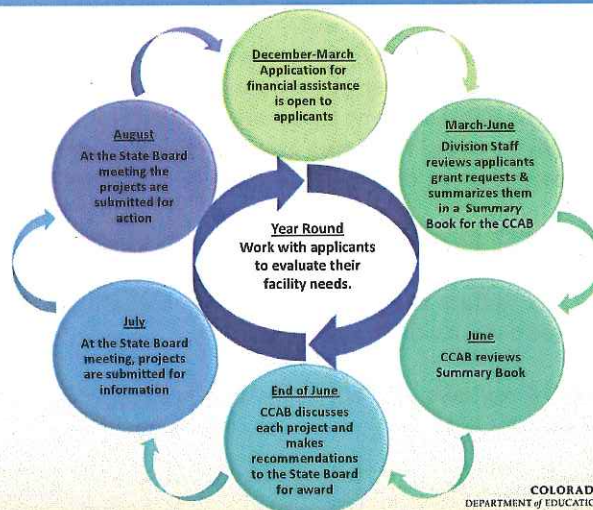
Who Qualifies and What Types of Projects Qualify?

- School districts, charter schools, institute charter schools, BOCES, and The Colorado School for the Deaf and Blind qualify for BEST.
- Pursuant to 22-43.7-109 (5) C.R.S. projects are prioritized as follows:
 - **Address safety hazards or health** concerns at existing public school facilities, including public school facility security;
 - **Relieve overcrowding** in public school facilities, including but not limited to projects that will allow students to move from temporary instructional facilities into permanent facilities;
 - **Incorporate technology** into the educational environment;
 - **All other projects.**

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Building Excellent Schools Today Program Process And Timeline



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What Types of Grants are Available

- 1) **BEST Cash Grants** fund smaller projects like roofs, boiler replacements, fire alarms, etc.
 - As of Dec. 2012 BEST has funded 141 projects with cash grants totaling \$189.8 million*
- 2) **BEST Lease-Purchase Grants** fund larger projects like new schools, major renovations, and additions. These grants are financed and the financing is paid back with future Assistance Fund revenues.
 - As of Dec. 2012 BEST has funded 40 projects with lease-purchase grants totaling \$789.4 million*
- 3) **BEST Emergency Grants** fund an unanticipated event that makes all or a significant portion of the building unusable for educational purposes or threatens the health or safety of the people using the facility.

* Note: Figures include State grant and local match

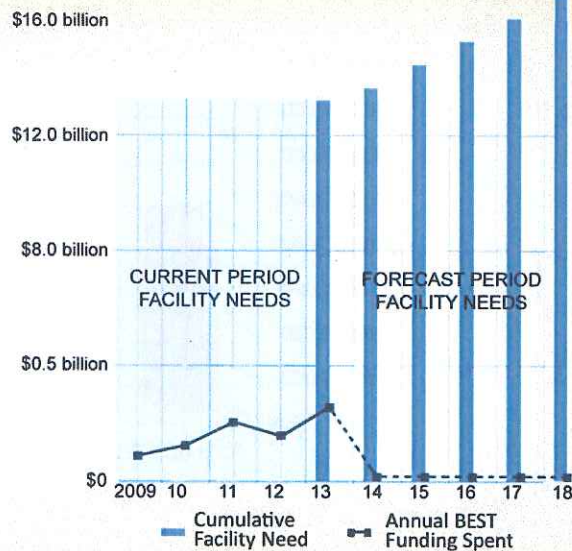
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BEST Funding Relative to Facility Needs

The BEST Statute Requires an Assessment of All Public School Facilities

\$17.9 Billion of Needs Identified thru 2018



*Based on the CDE Statewide Financial Assistance Priority Assessment (March 2010)

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Building Excellent Schools Today: Funding

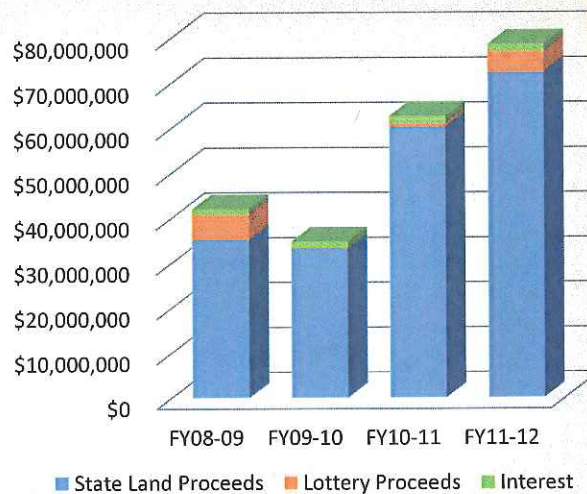
- Public School Capital Construction Assistance Fund
 - Established to account for BEST awards
- Assistance Fund is funded at the state level from three sources:
 - 50% of the land earnings from School Trust Lands
 - Lottery "spill-over" revenues
 - Interest earnings
- Awards require matching money from grant recipients
 - Local matching amounts are based on criteria set in statute that reflect local capacity and past effort

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BEST Program's Revenues by Year



*Through FY2012

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Building Excellent Schools Today: Lease Purchase Financing

Large Projects are typically funded with Certificates of Participation (COPs)

- State issues the COPs to fund the entire project
- Revenue Sources for repayment of the debt
 - State Share (capped at \$40 million per statute)
 - Local Share (local matching funds)
 - Federal Subsidies (this reduces the total amount of the debt service by \$9.4 million)
- Total net payment for 2013-14 is \$47.4 million (\$34.3M state & \$14.1M local)

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Building Excellent Schools Today: Lease Purchase Financing

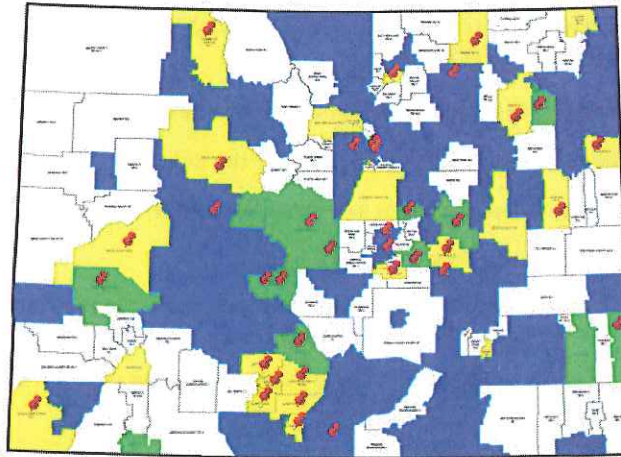
- State Share remaining capacity on payments – approx. \$5 million
 - This keeps the state share within the \$40 million cap
 - This could fund approximately up to \$130 million in additional projects
- After the BEST program hits its annual COP cap, it will not be able to use that financing mechanism again for at least 20 years.
- Once the cap of \$40 million is reached for financing, the state will only be able to fund annual cash grants
 - No leveraging of dollars through COP financing at state level

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Building Excellent Schools Today: BEST Projects Funded by District through FY2012-13

- BEST Lease-Purchase Project
- BEST Cash Grant Project
- BEST Cash & Lease-Purchase Projects
- BEST New Schools (37 total)



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Fast Forward Only 4 years... What Has Been Accomplished



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Miami-Yoder School District 60JT



OVER **\$979**

Million In Grants Funded

Out of ~\$2.15 Billion in requested funds

as of Nov. 2012

State Portion = \$686 million
Local Match = \$293 million

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Building Excellent Schools Today

Helping over

113,800



Alamosa

**Students
Statewide**

as of Nov. 2012

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181

Public School
Grants Funded

as of Nov. 2012

284

School Facilities

Impacted through **BEST**

19

as of Nov. 2012



Sangre De Cristo

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Helping Create
&
Support Over
16,730*
Jobs

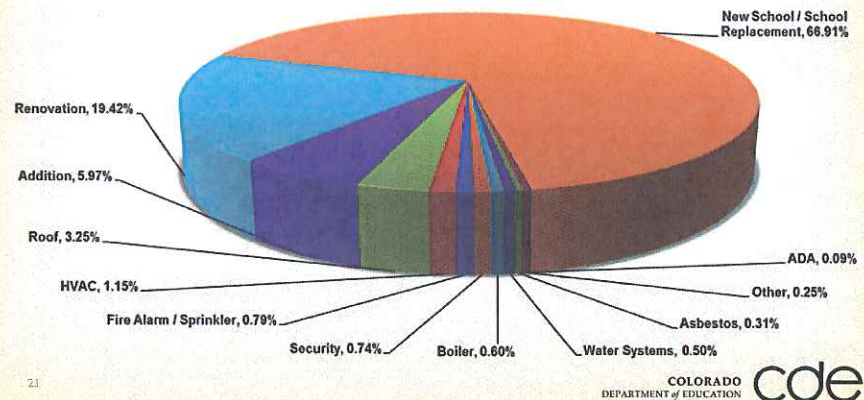
as of Nov. 2012

*Includes Direct, Indirect & Induced – Analysis performed by the State Demography Office & the Colorado Department of Local Affairs

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BEST Projects Funded By Dollar Amount through FY2012-13



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"I would like to say thank you for supporting us in our time of need"
— Jordan, student at Mapleton School District 1

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